

**EXAMPLE FOR PRICING EXTENSION
FOR FLYING HOUR CONTRACT**

(Example using a 4 month extension)

| Item | Funding At Time of Extension | Back Out Flying Hour Adjustments for FY at Time of Extension | Subtotal | Months Extended/ 12 Months * 33.333% | Add/Subt Delta to Extention for Flying Hr Adj Dollars ** | Total Extension Period Funding |
|----------------|------------------------------------|--|-------------|---|--|---|
| T38C A/C Mx | \$3,600,328 | -\$1,500 | \$3,598,828 | \$1,199,597 | -\$111,397 | \$1,088,200 |
| T-6 A/C Mx | \$2,452,189 | \$36,000 | \$2,488,189 | \$829,388 | \$46,080 | \$875,468 |
| Other Targ | \$1,554,218 | | \$1,554,218 | \$518,067 | | \$518,067 |
| Tot Targ Cost | \$7,606,735 | \$34,500 | \$7,641,235 | \$2,547,053 | -\$65,317 | \$2,481,736 |
| Total Targ Fee | \$ 38,034 | \$173 | \$38,206 | \$12,735 | \$ (327) | \$ 12,409 |
| Tot Targ Price | \$7,644,769 | \$34,673 | \$7,679,441 | \$2,559,788 | -\$65,644 | \$2,494,145 |
| Ceiling Price | \$ 7,834,937 | \$35,535 | \$7,870,472 | \$2,623,464 | -\$67,276.51 | \$2,556,188 |
| Award Fee | \$ 456,404 | \$2,070 | \$458,474 | \$152,823 | \$ (3,919) | \$148,904 |
| T-6 Off Sta | \$50,000 | | \$50,000 | \$16,667 | | \$16,667 |
| Travel | \$50,000 | | \$50,000 | \$16,667 | | \$16,667 |
| ContAcqVeh | \$40,965 | | \$40,965 | \$13,655 | | \$13,655 |
| WageAdj 4/01 | \$156,000 | | \$156,000 | \$51,999 | | \$51,999 |
| WageAdj 5/03 | \$600,000 | | \$600,000 | \$199,998 | | \$199,998 |
| WageAdj 4/05 | \$700,000 | | \$700,000 | \$233,331 | | \$233,331 |
| WageAdj 4/07 | \$800,000 | | \$800,000 | \$266,664 | | \$266,664 |

EXTENSION AMOUNT TO BE OBLIGATED

\$3,293,125

* Percentage Calculation for 4 Month Extension: 4 Months divided by 12 months = 33.333%

** See Attached Spreadsheet entitled "Flying Hour Adjustment for Extension."

**NOTE: Award fee will not be funded until after award fee board decision.
Weekend/Holiday Flying was not included in this example since it is funded differently from contract to contract. If it is fully funded, it would be included in an extension. In the example, DoL issued new wage determinations every 2 years.**

FLYING HOUR ADJUSTMENT FOR EXTENSION

EXAMPLE

Using a 4 month extension

| Aircraft | Contract Award Flying Hours for Last Option Exercised | Four Month Extension 33.333% | Extension Period Programmed Flying Hours | Increase/ Decrease | Last Option Flying Hr Adjust Rates | Flying Hour Adjustment Dollars* |
|----------|---|------------------------------------|---|-----------------------|--|---------------------------------------|
| T38C | 16,598 | 5,533 | 5,000 | -533 | \$209.00 | \$ (111,397) |
| T-6 | 25,080 | 8,360 | 9,000 | 640 | \$72.00 | \$ 46,080 |
| | | | | | | <u>\$ (65,317)</u> |
| | | | | | FEE | <u>\$ (327)</u> |
| | | | | | TOTAL | <u>\$ (65,644)</u> |

* This value is calculated by establishing a new Flying Hour baseline for the extension period. The last year adjustment rate is applied to the delta of the extension baseline and allocated Flying Hours for the extension period.

NOTE: The extension period HQ AETC/PA flying hours will be established as the new baseline for the Operational Period Baseline in the Technical Exhibit or Appendix and the table will be extended down accordingly. The +/- parameters listed in the contract clause, "Price Adjustment for Change in Aircraft Flying Hours will not apply to the initial extension PA adjustment but will apply to any subsequent adjustments during the extension period.